CLEAN CITIES GAME PLAN 1998/99

Strategic Plan For The Clean Cities Program



U. S. Department Of Energy



Office of Energy Efficiency and Renewable Energy
Office of Transportation Technologies
Office of Technology Utilization

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Introduction

The U.S. Department of Energy (DOE) Clean Cities program is a voluntary, locally-based government/industry partnership to mobilize local stakeholders in the effort to expand the use of alternatives to gasoline and diesel fuel by accelerating the deployment of alternative fuel vehicles (AFVs), and building a local AFV refueling infrastructure. The Clean Cities program coordinates the activities of both private and public sector proponents of AFVs by providing them with a forum to discover their commonalties, investigate opportunities for joint-projects, leverage scarce resources and cooperate on promoting the benefits of AFVs in their communities. The hallmark of Clean Cities is the local planning process that reflects a community's choice for alternative fuels and the ongoing commitment to that choice.

Over the last four years, 64 communities have joined the national Clean Cities effort, enabling deployment of more than 240,000 AFVs in both public and private fleets, and helping to build over 3,000 alternative refueling stations. All told, these vehicles will reduce oil use by an estimated 100 million gallons per year and emissions by an estimated 40,000 metric tons through 2005. Moreover, the Clean Cities have been a magnet for Federal funding, attracting approximately \$180 million dollars of funding under the ISTEA/CMAQ program for innovative alternative fuel projects. They have also been leaders in influencing local and state initiatives to further support development of the AFV marketplace.

As the program has matured and expanded, Clean Cities have become best described as local "market places" where people can get together to learn what's required; what's available; how to purchase a vehicle; and where to fuel it. In other words, all the transactions that need to take place for a market to develop. Therefore, in order for Clean Cities to continue fulfilling its objective to facilitate growth in the AFV market place, coalitions must be strong and vibrant organizations where: (1) people/stakeholders perceive action and added-value; (2) educated consumers are ready to make prudent purchases; and (3) customer agendas can be implemented, e.g. selling vehicles or fuel.

In order to achieve our objective to facilitate growth in the AFV marketplace, a "core" effort must be implemented to focus on advancing fleets to choose AFVs, developing public acceptance for AFVs, supporting local coalitions, and increasing grants and incentives.

The result is the following four-part Clean Cities Game Plan 1998/99.

Clean Cities Game Plan 1998/99

The *Clean Cities Game Plan 1998/99* is a four-part strategy to increase the number of fleets choosing alternative fuels:

- (1) Advance the AFV Choice
- (2) Develop Public Interest and Acceptance of Alternative Fuels
- (3) Strengthen Local Coalitions
- (4) Provide Grants and Funding Assistance
- (1) Advance the AFV Choice. The National Clean Cities program is currently comprised of 64 local coalitions with the common objective to advance the use of alternative fuels and vehicles. These coalitions are for the most part local "market places" where people can get together to learn what's required; what's available; how to purchase an AFV; and where to fuel it. They have been successful in recruiting fuel suppliers, government organizations, advocacy groups, and increasingly, automakers and dealerships. These organizations have not yet, however, been overly effective in getting the attention of fleet operators, particularly private fleets. Since active participation from these fleets is critical to steady growth of the AFV market, the first objective in *Game Plan 1998/99* will focus on identifying and educating fleet operators, influencing their choice for using AFVs, and providing rebates to reduce incremental AFV costs--while leveraging currently-offered private sector incentives. There are four elements to this step in *Game Plan 1998/99*:
 - A. Identify and recruit fleets and vehicle operators inclined toward using AFVs
 - DOE is currently designing a computer-based, customer identification system that draws upon a variety of databases to identify a select group of private fleet operators inclined toward using alternative fuels, i.e. a few good fleets. By targeting only those fleets for which it makes sense to use alternative fuels, such as transportation services, fleets with high-mileage applications, or businesses with environmental or health care interests, coalitions can zero in on those fleets in their communities with the greatest interest in purchasing an AFV. The system is based on the local white business and yellow pages, so it will be current and specific to each particular area. Moreover, it will enable Clean Cities coordinators to custom-design mailing lists and merge these lists with pre-written form letters.
 - DOE will be making the Preferred Fleets Database available to all participating Clean Cities and will be encouraging coalitions to invite fleets to *Advance the AFV Choice* events in their communities (see below).

B. Hold *Advancing the AFV Choice* Events

- During 1998 and 1999, DOE Clean Cities will host 75-100 events specifically designed to help fleet operators to choose alternative fuels. The events will take the "one-stop" shopping approach. Fleet Managers will be invited to an event to learn exactly what's available from the OEMs, how much they cost, which dealerships offer AFVs, how they can obtain vehicle purchase incentives and where they can refuel. The events would focus on interaction between the fleet managers, OEMs and fuel providers. In this regard, the program would quickly transition to discussion breakouts or "booths" where fleet operators could work directly with OEMs. At this point the OEMs would be able to take over and do what they do best--sell vehicles. Fuel providers could circulate between OEM booths providing information on fuel availability and incentives.
- DOE Regional Support Offices have been given program budgets to hold
 events in each of their cities. Events will be held in all Clean Cities in
 each region. Cities may host multiple events by matching DOE funds with
 local resources. DOE is currently coordinating this series of events with
 the sales divisions of automakers and fuel suppliers in order to leverage
 more events, outreach and potential for success.
- C. Advancing the AFV Choice through direct use of "point-of-sale" tools
 - For use during the events, DOE's Alternative Fuel Data Center has designed a set of products to facilitate the fleet manager's decision to choose alternative fuels. These products include:
 - --OEM product listings
 - --OEM price and delivery schedules
 - --OEM dealership locations and contacts
 - --Purchase incentives and rebates available from fuel suppliers, local and state governments, tax incentives, etc.
 - --Refueling station locations and maps
 - These information products will be consolidated into a computer-based, Alternative Fuel Vehicle Buyer's Guide to enable fleet managers to walk through the step-by-step series of decisions involved in making a new vehicle purchase. For starters, this guide will be able to tell a fleet manager whether he or she is required by law to acquire AFVs. Next, the computer will outline all the vehicle options available in alternative fuels, listing specifications, range, price, and ordering window. All applicable purchase incentives available in the region will then automatically be subtracted from the purchase price to show the net cost to the fleet manager. Finally, the computer will print out the dealerships and refueling stations all within a convenient location. To access the tool go to www.fleets.doe.gov.

- D. Provide AFV Rebates to help offset the incremental cost of acquiring an AFV
 - Higher incremental cost is often cited as the number one deterrent to
 acquiring AFVs in fleets. Currently, rebates and incentives from various
 sources (states, fuel suppliers, OEMs, tax, etc) are available to reduce the
 cost to the AFV customer. Adding a *Clean Cities Rebate* will further
 reduce the net cost to the customer and stimulate AFV purchases.
 - Each RSO will receive a budget for the AFV rebates. The funds will be allocated to meritorious Clean Cities by the RSOs through a publicly competitive process. DOE estimates providing rebates for up to 1,000 AFVs.
- (2) **Develop Public Interest and Acceptance of Alternative Fuels.** An important aspect of *Advancing the AFV Choice* is to complement our target fleet marketing efforts with a message campaign. It is critical to establish an understanding in each community that people are best-served by making responsible energy choices, particularly when choosing fuels for the millions of vehicles on American roads--and that AFVs are the right choice. Fleet operators, working and making decisions in a community which values responsible energy use and alternative fuels, will be more inclined to attend Clean Cities events, consider alternative fuels, and choose AFVs.

Our plan for accomplishing this objective has two parts:

- A. An outreach program designed to write and place case studies, success stories and industry testimonials in local, national and industry-specific publications. This strategy is intended to build an understanding of the benefits of AFVs and re-enforce community acceptance for a fleet manager considering alternative fuels.
- B. A public information program designed to demonstrate the value of making responsible energy choices when considering vehicle fuel choices.
- (3) Strengthen Local Clean Cities Organizations. The Clean Cities Program is only as strong as the coalitions that comprise it, and coalitions with initiative and organized plans are the most effective. By providing coalitions with training materials and workshops, they can be more effective in promoting alternative fuels in their community. Moreover, these training materials will enable DOE Regional Support Offices to better assist coalitions with work plans, meeting agendas and community projects. The training, or "how-to" materials available through *Game Plan 1998/99* will include:
 - A. Vehicle acquisition, infrastructure development and organizational

<u>operations</u>. These projects will focus on educating and training coalitions on techniques for improved organizational financing, such as seeking funding from foundations and corporations; incorporating as a nonprofit; grant writing; event planning; applying for and participating in CMAQ programs.

- B. <u>Community organization outreach.</u> Most community organizations are active and involved in improving the quality of life in and around the community. Since this initiative could greatly complement the efforts of local Clean Cities coalitions, we intend to identify and help coalitions develop partnerships with pertinent community organizations, such as the Lion's Club, Sierra Club, parent/teacher associations, American Lung Association, etc., in order to integrate alternative fuel initiatives into local community agendas.
- C. <u>Public information programs.</u> Getting the word out is critical to local success. As coalitions improve their ability to work with local media (television, newspaper, radio, university), they can better showcase local alternative fuel achievements. This training will also assist coalitions to develop strategic marketing and message strategies.
- D. <u>Building organizational capacity</u> We will assist coalitions to increase their organizational capacity by explaining how to establish senior executive and intern programs and motivating volunteers to conduct coalition activities.
- E. <u>Strategic market development</u> We will continue our work in assisting local coalitions with establishing strategic market development plans, which match available resources (people, participating company affiliations, vehicles, refueling stations, local laws and incentives) with local market opportunities (corridors, airports, etc.) in order to form action plans resulting in new AFV markets.
- (4) Provide Grants and Funding Assistance. With step four, the program will continue to provide funding to meritorious Clean Cities coalitions through State Energy Program (SEP)--Alternative Fuels Special Projects. Putting additional AFVs on the road and building refueling stations are an important part of the DOE program. In partnership with States and Clean Cities, our grant program helps seed the market with key hardware, and nurtures it for future market growth. Since 1996, 36 states and the District of Columbia have received alternative transportation fuel grants. In the 1998 SEP, we combined \$1 million in Clean Cities funding with \$1.55 million of transportation and infrastructure funding to form a \$2.55 million program.

In addition, the Clean Cities/Gas Research Institute (GRI) Natural Gas Vehicle Deployment Initiative will continue to be a funding element in *Game Plan 1998/99*. This year we provided \$400,000 to match a GRI contribution toward technologies that will stimulate the development of natural gas vehicle projects located in Clean Cities.

This year we plan to support a new Clean Cities foundation with the sole objective of raising resources to establish full-time coordinators in the Clean Cities. A first year goal of the foundation is to provide \$20,000 for local matching in 10 Clean Cities. This project is scheduled to begin in August, 1998.

WHERE DO I
GET MORE
INFORMATION?

The Clean Cities Hotline (toll-free 1-800-CCITIES) provides answers to questions on funding, alternative fuels and AFVs, program planning, and other program issues. The Hotline also makes available several resources for Clean Cities use, including the following publications:

- The Clean Cities Roadmap provides cities with step-by-step instructions on how to become a Clean City.
- Clean Cities Guide to Alternative Fuel Vehicle Incentives and Laws contains information on how and where funding is available for Clean Cities use.
- Clean Cities Troubleshooting Guide offers helpful suggestions on solving the challenges Clean Cities may face.
- ♦ The *Alternative Fuel News* provides cities with bi-monthly updates on Clean Cities and alternative fuels activities.

Clean Cities staff are located at each of the DOE Regional Support Offices to assist local Clean Cities coalitions with their alternative fuels market development efforts. In addition, a vast network of local Clean Cities coordinators is available to provide assistance. These federal and local coordinators are listed in this brochure, and can also be provided by the Clean Cities Hotline or found on the Clean Cities Web site.

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